

June 16, 2008

**VIA EMAIL AND CERTIFIED MAIL,
RETURN RECEIPT REQUESTED**

Ms. Kristine Koch
Remedial Project Manager
United States Environmental Protection Agency, Region 10
Office of Environmental Cleanup, Mail Code ECL-115
1200 Sixth Avenue, Suite 900
Seattle, Washington 98101-3140
koch.kristine@epamail.epa.gov

RE: Portland Harbor Superfund Site / CERCLA Section 104(e) Information Requests

Dear Ms. Koch:

We are the attorneys for the Marine Group LLC ("Marine Group"), and BAE Systems San Diego Ship Repair Inc. ("BAE San Diego"), both of which received first request for information letters dated January 18, 2008, with respect to the former operations of Northwest Marine, Inc. ("Northwest Marine") at the Swan Island Shipyard, located within the Portland Harbor Superfund Site ("Site").

On April 23, 2008, Marine Group and BAE San Diego submitted a mutual request for an extension of their response deadline to August 18, 2008. We received a response from Deb Yamamoto dated May 7, 2008, granting that request. In the extension request, our clients proposed interim milestones to provide EPA with periodic status reports. The first of these milestones is June 13, 2008, and this letter constitutes the first status report on the preparation of responses to the request for information letters.

Since May 7, 2008, when the extension request was granted, we have undertaken the following tasks:

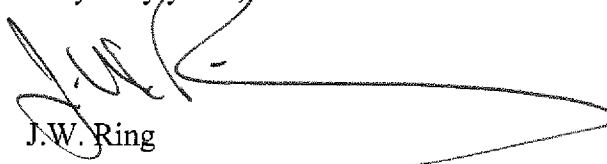
<u>Date</u>	<u>Task</u>
May 15, 2008	Held conference call with team preparing responses
May 16, 2008	Submitted preliminary responses to EPA for Marine Group
May 19, 2008	Submitted preliminary responses to EPA for BAE San Diego
May 21, 2008	Held conference call with team preparing responses
May 22, 2008	Entered into consulting contract for insurance archaeology services
May 22, 2008	Began review of relevant files at Oregon Department of Environmental Quality

May 28, 2008 Met with insurance consultant to discuss role in preparation of responses
June 3, 2008 Held conference calls with team preparing responses and with insurance consultants
June 9, 2008 Interviewed potential consultant for technical environmental services
Entire Period Reviewed and indexed relevant documents from Marine Group and BAE San Diego
Entire Period Circulated draft responses among team members for comment and editing

We anticipate entering into a contract for technical environmental services in the next week. We believe we are making significant process and are on track to submit complete responses no later than August 18, 2008, the date through which EPA granted the extension request.

We look forward to continuing to work cooperatively with EPA and the other stakeholders at the Site. Please feel free to contact me with any questions or concerns.

Very truly yours,



J.W. Ring

JWR:aeg
cc: (via email only)

Arthur E. Engel, CEO
The Marine Group, LLC
art@sdhe.com

Lori Houck-Cora, Esq.
EPA Region 10, Office of Regional Counsel
cora.lori@epa.gov

Elizabeth McKenna, Esq.
EPA Region 10, Office of Regional Counsel
mckenna.elizabeth@epa.gov

Lloyd A. Schwartz, General Counsel
BAE Systems San Diego Ship Repair Inc.
lloyd.schwartz@baesystems.com

Deb Yamamoto, Unit Manager
EPA Region 10, Office of Environmental Cleanup
yamamoto.deb@epa.gov

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